



The Connecticut Agricultural Experiment Station

123 HUNTINGTON STREET, P.O. BOX 1106, NEW HAVEN, CONNECTICUT 06504

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Putting science to work for society

Appropriations Committee

To: Senator Harp, Representative Walker and other members of the Appropriations Committee
From: Louis A. Magnarelli, Director *LM*

Date: April 11, 2011

Subject: Agency Deficiency

I submit this written testimony with attached letters to explain a budget deficiency listed by the Office of Policy and Management (OPM) for The Connecticut Agricultural Experiment Station (CAES) and am willing to answer questions or provide further information.

On March 25, 2011, Mr. Benjamin Barnes (Secretary of OPM) sent a letter (see attached copy) to Governor Malloy listing state agencies that have projected deficiencies. A shortfall of \$0.22 million was indicated for the Other Expense Account for The Connecticut Agricultural Experiment Station, but no explanation was given for this deficiency.

On April 1, 2011, I sent a letter (see attached copy) to Secretary Barnes and forwarded copies to Governor Malloy and Mr. Terry Jones, Vice President of the CAES Board of Control, explaining that the deficiency was due to a "holdback" of \$240,855 from our legal appropriated budget. The CAES has been honoring the "hiring freeze" and projects a surplus of \$250,000 in personal services. This amount will provide the overall required programmed savings from our agency. Thank you.

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WWW.CT.GOV/CAES

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The Connecticut Agricultural Experiment Station

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April 1, 2011

Honorable Benjamin Barnes
Secretary
Office of Policy and Management
450 Capitol Avenue
Hartford, Connecticut 06106

Dear Secretary Barnes:

I received a copy of your letter addressed to Governor Malloy, dated March 25, 2011, regarding projected deficiencies for some state agencies, including The Connecticut Agricultural Experiment Station (CAES). In my opinion, your letter could be misinterpreted and needs some clarification. The stated \$0.22 million shortfall or deficiency in the Other Expense account for CAES is due to a "holdback" of our approved state appropriation not because we failed to stay within our budget.

The Experiment Station's Other Expenses appropriation for fiscal year 2011 was \$923,511. The Office of Policy and Management, under the directions of the previous administration, programmed a "holdback" of \$240,855, leaving the CAES with a \$682,656 allotment for other expenses.

We project our Other Expenses budget requirement this fiscal year to be about \$880,000 and, respectfully, request a partial release of the programmed "holdback" in the amount of \$200,000. The CAES will expend about \$600,000 on utility costs alone this fiscal year. The remaining other expenses in our budget is used for building supplies and maintenance as well as necessary laboratory supplies related to our statutory requirement to conduct chemical analysis of foods and other products for other state agencies. Food safety is a high priority. The CAES is honoring the "hiring freeze" and projects a surplus in personal services of \$250,000. This amount will provide the overall required programmed savings from our agency.

The CAES has successful energy efficiency projects. For example, we installed occupancy sensors in all of our buildings. This action saves approximately \$20,000 each year in electricity costs. We will continue to look for ways to save money, be more efficient, and improve the services we provide to Connecticut citizens.

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Secretary Barnes
April 1, 2011

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Please contact me if you have any questions or would like to discuss our agency budget in more detail. I can be reached by phone at 203-974-8440 or by email at Louis.Magnarelli@ct.gov. Thank you.

Sincerely,



Louis A. Magnarelli, Ph.D.
Director

cc: Governor Dannel P. Malloy
Mr. Terry Jones, Vice President, CAES Board of Control

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STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

March 25, 2011

Honorable Dannel P. Malloy
Governor
State Capitol
Hartford, CT 06106

Dear Governor Malloy:

The following is an explanation of projected deficiencies as required by Section 2-36 of the Connecticut General Statutes.

Department of Administrative Services. The department will experience a net \$0.6 million shortfall in its Workers' Compensation Administrator account as a result of the contract holdback.

Office of the State Comptroller. A \$0.43 million shortfall is a result of deficiencies in the Other Expenses account.

Department of Public Works. A \$6.4 million shortfall is as a result of deficiencies in the Other Expenses, Management Services, and Rents and Moving Expenses accounts.

Agricultural Experiment Station. A \$0.22 million shortfall is a result of deficiencies in the Other Expenses account.

Department of Agriculture. A \$0.28 million deficiency is forecast in the Other Expenses account.

Department of Public Safety. Net deficiencies totaling \$8.0 million are projected in the department's Other Expenses and Fleet Services accounts. The \$5.9 million Other Expenses shortfall is a result of programmed holdbacks that are 21% of the appropriation, which funds utilities, telecommunications, fuel and maintenance costs for motor vehicles and other critical public safety costs. The \$2.1 million Fleet Services shortfall is the result of a programmed holdback that will not be met due to the need to replace aging State Trooper vehicles which have become more costly to repair and maintain than to replace.

Department of Mental Health and Addiction Services. A \$54.7 million shortfall is anticipated in the General Assistance Managed Care account to reflect higher than budgeted caseload and utilization for this population. In addition, a \$5.3 million Other Expenses shortfall is projected due to holdbacks programmed to achieve budgeted savings.

Department of Social Services. A net deficiency of \$211.0 million is projected in the Medicaid account after accounting for offsetting lapses. DSS is also projected to have a deficiency in Other Expenses of \$21.0 million.

Teachers' Retirement Board. A \$0.2 million deficiency is anticipated due to payments for identity theft insurance for its members resulting from misplaced encrypted pension information in November 2009.

Department of Correction. The department is forecast to incur an \$8.0 million net deficiency in Other Expenses because of the implementation of budgeted holdbacks, which represent 20% of the agency's Other Expenses appropriation. This account funds food and utility expenses and other costs of running and maintaining the correctional system.

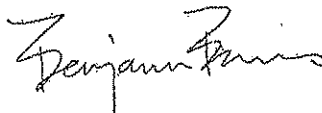
Public Defender Services Commission. The agency is anticipated to end the year with a \$1.8 million deficiency: a net \$1.0 million in the Special Public Defenders-Non-Contractual account, and \$0.8 million in the Expert Witnesses account.

Commission on Child Protection. A \$2.6 million shortfall is estimated in the Child Protection Commission's Contracted Attorneys account.

DAS-Workers' Compensation Claims. A \$.5 million deficiency is anticipated in the Workers' Compensation Claims account.

Additionally, we are not anticipating the achievement of \$50 million in savings for Enhancing Agency Outcomes.

Sincerely,



Benjamin Barnes
Secretary

xc: Hon. Danny R. Stebbins, Acting Commissioner.
Hon. Jonathan Holmes, Acting Commissioner
Hon. Steven K. Reviczky, Commissioner
Dr. Louis A. Magnarelli, Director
Hon. Patricia Rehmer, Commissioner
Hon. Michael Starkowski, Commissioner
Ms. Darlene Perez, Administrator
Hon. Leo Arnone, Commissioner
Ms. Susan Storey, Chief Public Defender
Ms. Carolyn Signorelli, Chief Child Protection Attorney
Hon. Martin Anderson, Commissioner